

**Illinois Department of Revenue
Regulations**

Title 86 Part 130 Section 130.2520 Qualification Process and Requirements
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**TITLE 86: REVENUE
PART 130
RETAILERS' OCCUPATION TAX**

Section 130.2520 Qualification Process and Requirements

Applicants must comply with the following requirements in order to qualify for a Direct Pay Permit.

- a) Applicants must demonstrate their ability to comply with the State's sales and use tax laws, including reporting and payment requirements. The applicant must provide a written description of the accounting systems that will be used by the applicant and demonstrate that the accounting systems will reflect the proper amount of tax due and will meet the requirements of Section 130.805 of this Part.
- b) Applicants must have a valid business purpose for requesting a Direct Pay Permit and must demonstrate how direct payment will benefit tax compliance. For example, the following business purposes would be considered valid:
 - 1) Provide for the reduction of administrative work in any or all of the following:
 - A) Collecting the tax;
 - B) Calculating the amount of tax;
 - C) Verifying the amount of tax;
 - D) Remitting the correct amount of tax; or
 - E) Determining taxability;
 - 2) Provide for improved compliance with the tax laws of the State;
 - 3) Provide for accurate compliance in circumstances in which the determination of taxability of the item is difficult or impractical at the time of purchase;
 - 4) Provide for more accurate calculation of the tax when new or electronic business processes, such as electronic data interchange (EDI) transactions, evaluated receipts settlement (ERS) or procurement cards, are utilized;
 - 5) Provide for more accurate determination and calculation of tax where significant automation and/or centralization of purchasing and/or accounting processes have occurred and the applicant must comply with the laws and regulations of multiple

state and local jurisdictions.

- c) Denial of Application. Any applicant whose application has been denied may, within 20 days after notice of the denial, make a written protest and request for hearing, whereupon the Department shall give notice to the applicant of the time and place fixed for the hearing and shall hold a hearing in conformity with the provisions of the Retailers' Occupation Tax Act. In the absence of a protest within 20 days, the Department's decision shall become final without any further determination being made or notice given.

(Source: Added at 26 Ill. Reg. 5946, effective April 15, 2002)